

ECONOMIC HIGHLIGHTS – FEBRUARY 2006 (PART 1)

The following are notable economic issues in T&T during the first half of February:

1. Local Music Pirates Arrested
2. Trade office in Cuba being established
3. T&T Expands Trade with Costa Rica & Panama
4. Germany-T&T Bilateral Investment Treaty
5. Electronic CARICOM passports coming
6. T&T, Venezuela to talk on sharing gas resources

1. Local Music Pirates Arrested

Vendors of pirated local music and of DVDs, playing their illegal trade in the heart of Port of Spain fell under the onslaught of authority this month. Police swooped down and seized their illegal booty and carted several vendors off to police headquarters. According to Deputy Police Commissioner Winston Cooper, thousands of DVDs and CDs were confiscated. Seized equipment, which included DVD players, flat screen video monitors and stereo systems, was estimated to cost anywhere from US\$1,300 to US\$1,800. Some vendors boldly stated that they were not selling any local material. Mazina Kadir, Controller of the Intellectual Property Office, stated that under the Copyright Act, the sale and possession of pirated material, local or international, is illegal. She estimated the loss of revenue due to music piracy alone to be more than US\$48 million a year. She said the vendors if convicted could face ten years imprisonment and a fine of US\$24,000.

2. T&T Establishing trade office in Cuba

Minister of Trade and Industry Ken Valley and Ambassador at-large Jerry Narace announced that documents were submitted to the Chamber of Commerce of Cuba to establish the Trinidad Trade Facilitation Office (TTFO) in Havana in the near future. The TTFO will be authorized under Cuban law to promote and facilitate trade between T&T and Cuba. It is designed to function as a conduit between T&T manufacturers and those Cuban state companies authorized to import and sell to consumers. It also would advise T&T manufacturers of products that can be exported to and from Cuba. In 2005, T&T exported US\$14 million to Cuba, consisting of chemicals, iron and steel, fertilizers and waste paper. The Trinidad and Tobago Ex-Im Bank would provide a mechanism to support local manufacturers whose concern would be getting paid for their exported goods.

3. T&T expanding trade with Costa Rica, Panama

Local manufacturers will participate in a trade and investment mission to Costa Rica March 12-16 with a view to expanding trade relations with that country. Trinidad and Tobago and Costa Rica signed a Free Trade Agreement (FTA) in 2004, and it became effective on November 1, 2005, allowing manufacturers to explore their trade options in Central America. The Trinidad and Tobago Manufacturers Association (TTMA) and the Ministry of Trade and Industry have officially launched the mission with a seminar on "Doing Business in Costa Rica." During March 8-12, just prior to the mission to Costa Rica, Minister Valley plans to visit Panama, which is a precursor for announced direct air links between Panama and Trinidad to be launched in June by Copa Airlines.

4. Germany-T&T Bilateral Investment Treaty

Germany and T&T negotiated a bilateral investment treaty (BIT), which will be signed later this year (possibly during FIFA World Cup 2006). GOTT hopes that a BIT will set the foundation for future investment in priority non-energy areas of the T&T economy, such as merchant marine, yachting, film, printing/packaging, food/beverage, fisheries and music/entertainment. Leading the German delegation in the negotiations was head of the foreign investments division at the Ministry of the Economy and Technology in Berlin, Joachim Steffens. Leading German businesses in T&T include Ferrostaal AG, Helm AG, and Fritz-Werner GmbH.

5. Electronic CARICOM passports coming

Mid-2006 should see the launch of electronic common passports for CARICOM nationals, according to Ambassador Jerry Narace. Speaking in a forum on the CARICOM Single Market and Economy (CSME) at the Trinidad and Tobago Manufacturers Association, Narace said new passports should help lower the crime level in the region because they create economic opportunity. The purpose of the passports is to facilitate movement among CSME countries. Worries about movement by criminals between Caribbean countries will be assuaged with the inclusion of an electronic database that will close borders to those trying to use the passports for illegal reasons. Though travel would be easier for CARICOM members, this new passport does not automatically give citizens one country the right to work in another. Under the current CSME policy, free movement is granted only to university graduates, media workers, sports persons, artists, and musicians.

6. T&T, Venezuela to talk on sharing gas resources

Prime Minister Patrick Manning said on February 14 that Trinidad & Tobago and Venezuela would again talk of sharing gas resources straddling the maritime boundary southeast of Trinidad. The goal of the talks is the unitization of the oil and gas fields occurring in the Loran and Manatee fields. An exact date for the talks is not known, but Manning said that they would take place soon. Chevron CEO David O'Reilly visited Trinidad briefly on February 14, and expressed support for the eventual joint exploitation of the gas fields, in which Chevron has interests on both sides.